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Relationship between disarmament and development

Report of the Secretary-General

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I. INTRODUCTION

1. Following the International Conference on the Relationship between Disarmament and Development held in New York from 24 August to 11 September 1987, the General Assembly in resolution 42/45 of 30 November 1987 requested the Secretary-General to take action through the appropriate organs, within available resources, for the implementation of the action programme adopted at the International Conference.

2. In pursuance of paragraph 35 (ix) b of the Final Document of the Conference, 1/ the Secretary-General established, in December 1987, a high-level intra-Secretariat task force having the following composition: the Director-General for Development and International Economic Cooperation, Chairman; the Under-Secretary-General, Department of International Economic and Social Affairs; the Under-Secretary-General, Department of Public Information; the Assistant Secretary-General, Office for Research and the Collection of Information; and the Under-Secretary-General, Department for Disarmament Affairs, Convener.

3. In his report to the General Assembly at its forty-fourth session, submitted pursuant to resolution 43/75 B of 7 December 1988, the Secretary-General informed the Assembly, inter alia, of the decisions taken by the high-level task force (A/44/449). The Assembly, in its resolution 44/116 L of 15 December 1989, welcomed the report and requested the Secretary-General to continue to take action and to report to it at its forty-fifth session.

4. In May 1990, a meeting of the task force was convened to review ongoing activities and to determine priorities for the period 1990-1993. The task force decided to undertake the following specific activities:

(a) Continuation of the work on the establishment of a mechanism for monitoring trends in military spending by the Department for Disarmament Affairs;

(b) Continuation of the work on the establishment of a benchmark study on economic indicators of military spending by the Department of International Economic and Social Affairs;

(c) Continuation of the work on conversion and follow-up by the Department for Disarmament Affairs;

(d) Intensification of contacts with research institutes;

(e) New project on the impact of arms reductions on the world economy;

(f) Publicity and information strategy within the United Nations.

5. The decisions of the task force and the specific activities carried out during 1989-1990 were covered by the Secretary-General's report to the General Assembly at its forty-fifth session (A/45/592). In its resolution 45/58 A of 4 December 1990, the Assembly requested the Secretary-General to continue the implementation of priorities established for 1990-1993 and to report to it at its forty-sixth session.

II. SURVEY OF ACTIVITIES

6. In accordance with the priorities established by the task force for the period 1990-1993, the following specific activities were undertaken.

7. With a view to establishing a mechanism for monitoring trends in military spending, the Department for Disarmament Affairs has explored the possibilities of cooperating with existing information- and data-collecting institutes and other bodies, and of organizing periodic meetings on a cost-sharing basis. Initial interest has been expressed by the Economic Directorate of the North Atlantic Treaty Organization (NATO) (Brussels), the International Defence Economics Association (United Kingdom of Great Britain and Northern Ireland), and the Defense Budget Project (United States of America).

8. In cooperation with the Department of International Economic and Social Affairs, the Department for Disarmament Affairs is continuing efforts to organize an expert group to prepare a framework for indicators for the measurement of the economic burden of military spending, so as to evolve a theoretical framework for assessing the economic impact of military expenditures and arms reductions. Data gaps for the establishment of such a framework are enormous not only in military information, but also in economic statistics, input-output tables, industrial production, government finance statistics and balance-of-payments statistics. Moreover, experience so far shows that the methodological aspects of the framework would need further refinement before a benchmark study could be undertaken. Calculation of purchasing power parity for defence expenditures would be one of the requirements for purposes of comparison. Another area of relevance would be an accounting framework consistent with national accounts.

9. The accounting framework initially developed by the Statistical Office of the Secretariat was presented, together with a set of illustrative matrices, to the Conference on Comparing the Soviet and American Economies' Overall Output, Levels of Consumption and Military Expenditures sponsored by the American Enterprise Institute for Public Policy Research and held from 19 to 22 April 1990 at Warrenton, Virginia, United States of America. Various methodological problems in comparing aggregates were discussed in the light of recent changes in the Soviet Union's economic policy and their consequences for the compilation of economic statistics. In addition, the paper was also sent to the Economic Directorate of NATO for its consideration and possible use in the analysis of military expenditures.

10. There has been widespread interest in following up the International Conference on Conversion: Economic Adjustments in an Era of Arms Reduction, held in August 1990 in Moscow, which was covered in the report of the Secretary-General to the General Assembly at its forty-fifth session (A/45/592). The papers for the Conference, along with the major statements and reports of the three working groups, have been published by the Department for Disarmament Affairs. 2/ The Department is also collaborating with the Centre for Science and Technology for Development in organizing a series of conferences on the subject: one will take place in Beijing in October 1991, another in Dortmund, Germany, in 1992.

11. Contacts with research institutes and United Nations agencies are being continuously expanded. Many of them have participated in regional symposia and seminars organized by the Department for Disarmament Affairs. Staff of the Office of the Director-General for Development and International Economic Cooperation and the Department for Disarmament Affairs have also participated in discussions on the subject organized by the World Bank on 10 and 11 December 1990 at Washington. The World Bank's initiative in organizing the event arose from its renewed emphasis on "pro-development, pro-poverty reduction" policies towards the developing countries. In that context, the subject of the military spending of those countries came up in discussing indirect external financing of military expenditure, possible linkages between military spending and external debt and relevant experience of the industrialized countries in fiscal management and scrutiny. Future directions of the World Bank's interest in the subject could involve research on the determinants of military spending, the impact of external assistance on the development countries, forms of aid and its effect on structural adjustments, economic implications of reductions of military expenditures and the trends in arms trade and transfers. There was also a general interest among the participants in undertaking case-studies on individual countries.

12. Disarmament and development-related issues have been the subject of a series of articles in the periodical Disarmament. 3/ For the fourth year in succession, disarmament and development has been included in the International Scholars Programme of the University of Notre Dame, United States of America; the Department for Disarmament Affairs has regularly provided speakers for the Programme. The Department will issue a fact sheet entitled "Uses of Military-Related Resources for Environmental Purposes". The report of the expert group on the subject has been submitted to the General Assembly at its forty-sixth session (A/46/364, annex).

13. The Department of Public Information has continued to carry out its public information activities relating to disarmament and development, including the relationship between the two. The subject was discussed on several occasions on Department of Public Information radio programmes. It was also touched upon in a number of Department of Public Information publications. In the "Notes for Speakers" (September 1990), for example, a section was devoted specifically to the relationship between disarmament and development. In another publication of the Department of Public Information, "Women: Challenges to the Year 2000" (to be issued by the end of 1991), a

table will be published illustrating how a mere 5 per cent reduction in world military budgets would free an annual $50 billion for social services. In addition, the Department of Public Information cooperated with the NGO Committee on Disarmament in organizing a three-day forum on the theme, "The 1990s: new approaches to ensure global security, promote disarmament and development, and preserve the environment" (May 1990). The relationship between disarmament and development was one of the main issues discussed during the forum.

III. MEETING OF THE HIGH-LEVEL INTRA-SECRETARIAT TASK FORCE

14. The task force met on 20 September 1991 to review the impact of the post-cold war changes on the implementation of its mandate. The Officer-in-Charge of the Centre for Science and Technology for Development participated in the meeting. The meeting noted that the Action Programme of the International Conference on the Relationship between Disarmament and Development was adopted at a time when the enormity of global military spending stood in sombre contrast with the sluggish economic performance of both major and lesser military spenders. Now the major military spenders are planning between 3 and 8 per cent reductions per annum in their military expenditures. While the long-term economic effects of those reductions in expenditures are awaited, actual measures of arms reductions have involved the costly destruction or disposal of existing weapons. In addition, there is widespread concern among major arms producers over the economic adjustments necessary for reorienting, retooling and redirecting military-related resources towards civilian purposes as, for example, capital stock and technology, including research and development. It was also foreseen that some of the benefits from arms reductions among major military spenders would be used for attending to urgent domestic priorities, which did not exclude redirecting parts of the released resources towards development finance. The potential reductions of military expenditures in Central and Eastern Europe could also diminish competition for scarce capital internationally.

15. The task force also noted that, for the developing countries, the end of the cold war has not necessarily ushered in an era of secure peace. Confronted with concerns over regional conflicts, unilateral interventions and serious internal strife, developing countries are still exploring ways of reconciling heightened threat perceptions with reducing military expenditures. Some of them are facing serious challenges to their national survival and experiencing increased insecurity. Unless their security concerns are appropriately addressed and satisfactorily resolved, these challenges could result in a greater procurement of modern weapons through imports or domestic production among the developing countries. In addition, there are concerns that, in the changed political situation, any benefits from arms reductions among major military spenders may be directed first towards Eastern Europe. This is happening at a time of growing political pressure on developing countries to accelerate the pace of their economic performance.

16. Recognizing that the prospects for reductions in military expenditures and arms reductions will be strengthened through facilitating economic development, the task force saw the need for a set of political and economic incentives to promote both. For the industrialized countries, healthier economies would make it easier to undertake the structural adjustments required by large-scale reductions in military production. For the developing countries, accelerated economic performance would go a long way towards overcoming the socio-economic tensions arising out of "maldevelopment" and underdevelopment.

17. The task force agreed that its mandate was broad enough for it to respond adequately to the changing political situation and to assume specific tasks. It was agreed that the growing interaction between threat perceptions, security arrangements, levels of military expenditures and socio-economic development should be stressed anew in the appropriate organs of the United Nations system. Further, it was agreed that greater cooperation would be sought from relevant United Nations agencies like the United Nations Development Programme (UNDP), the International Monetary Fund (IMF), and the World Bank in carrying out the activities necessary to encourage parallel progress in disarmament and development. The task force also agreed to continue its efforts in undertaking multidisciplinary projects for monitoring trends in military spending through cost-sharing arrangements with relevant bodies within and outside the United Nations system. The emphasis on facilitating an exchange of experience in the field of conversion from military to civilian production was renewed. It was decided that, in view of the fast-changing nature of the economic systems in Eastern Europe, the time was not yet opportune to start a new project on the impact of arms reductions on the world economy. The assessment of the economic impact of reductions of military expenditures - nationally, regionally and globally - required further refinement of the database and the tackling of complex and difficult conceptual and methodological issues before concrete impact assessment projects leading to meaningful conclusions could be undertaken.

Notes

1/ United Nations publication, Sales No. E.87.IX.8.

2/ Disarmament Topical Papers 5, vol. I (United Nations publication, Sales No. E.91.IX.6) and vol. II (United Nations publication, Sales No. E.91.IX.7).

3/ Disarmament, vol. XIV, No. 1, 1991 (United Nations publication, Sales No. E.91.IX.2).